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Thailand

Cotton and Products

Annual

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Report Highlights:
The report reviews the situation of raw cotton and textile industries in Thailand for 2002 and forecast for 2003.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Despite anticipated growing raw cotton consumption, Thailand's cotton imports in MY 2002/03 may decrease to some degree in response to a relatively running high stocks held by most spinners and the anticipation of higher import costs of cotton. Unlike the MY 2001/02 when a reduction in prices increase U.S. exports to Thailand four fold, the U.S. market share of Thai cotton imports should decline following a likelihood of stronger U.S. export prices and the dissatisfaction with the recently received shipments of U.S. cotton.

The performance of the Thai cotton yarn and fabric industries in 2002 has improved. After being depressed by sluggish demand, prices for cotton textile products began to recover in early 2002. Production of cotton yarn and fabric is estimated to grow to the higher extent than last year. Meanwhile, exports of both cotton yarn and fabrics are likely to increase favorably in 2002, following the anticipation of the improved economic situations in major importing countries like the U.S. and the EU.

SECTION I: SITUATION AND OUTLOOK

1.1. Upland Cotton

Production

According to trade sources, cotton production in Thailand has increased significantly from only 9,500 tons in MY 2000/01 to 22,000 tons in MY 2001/02 (harvested from October 2001 to March 2002), as attractive cotton prices in the MY 2000/01 and unfavorable prices for other competing crops induced farmers to expand their cotton area above the earlier expectations. Despite the allegedly pervasive use of GMO cotton seed, average yields for cotton in MY 2001/02 declined, due to insufficient rainfall in several growing areas. Trade sources also reported that the growing area for cotton in MY 2002/03 may drop sharply following the depressed cotton prices in MY 2001/02, and cotton production should decrease to 10,000 tons.

The Thai Government has placed its national policy on prohibiting the use of all kinds of GMO crop for the commercial purpose. The possible imports or plantings of transgenic seeds are limited to scientific research only. Nevertheless, it is believed that cotton farmers have pervasively planted Bt cotton in recent years, due to their awareness of decreased pesticide applications and higher productivity from growing transgenic cotton.

According to the Office of Agricultural Economics (OAE), the total cost of cotton production in MY 2001/02 was estimated to increase from US$ 448.05/hectare in MY 2000/01 to US$ 472.60/hectare, in response to higher expenses on labor and fuel. About 95 percent of total costs is attributed to variable inputs. The average cost for harvested seed cotton before ginning in MY 2001/02 was 14.92 baht/kg (about 16 US cents/pound), up from 13.95 baht/kg (about 15 US cents/pound). As indicated in Table 2, farmgate prices for seed cotton in MY 2001/02 decreased tremendously from 18.92 baht/kg (20 US cents/pound) in MY 2000/01 to 11.65 baht/kg (12 US cents/pound), due mainly to a downward trend in global cotton prices.

Consumption

Demand for raw cotton is generally associated with domestic and export demand for cotton yarn, cotton fabric and other cotton-content textile products. However, raw cotton demand is also partly determined by relative cotton prices against substitutable man-made fiber.

Total domestic cotton consumption in MY 2002/03 is forecast to grow further in line with an ongoing recovery in Thai economy and improved economic situations in major textile buying countries like the U.S. and the EU. Cotton consumption in MY 2001/02 apparently increased by 6 percent over the MY 2000/01's level. This is based on the fact that there has been an increase in number of spindles (about 300-350,000 spindles) in 2000 and 2001, and the relatively cheaper prices for raw cotton against synthetic fibers has encouraged several spinners to increase production of cotton yarn and cheap value cotton yarn (CVC yarn which contain 50:50 of cotton and synthetic fiber) at the expense of T/C yarn (which is the blend of 65% synthetic fiber and 35% cotton fiber).

There has been no significant change in structure of cotton demand in Thailand in 2002. About 65 percent of total cotton utilization belongs to medium-count-yarn staple cotton, with the staple lengths of 1 3/32" to 1 1/8". The balance goes to coarse-count-yarn staple cotton (around 30 percent) and fine-count-yarn staple cotton and extra long staple cotton (5 percent).

Trade

Because of limited domestic supplies, Thailand depends heavily on imported cotton to meet the growing demand from the textile industry. Based on actual imports in the first 8 months (Aug 2001-Mar 2002) and committed buying of cotton among several spinners, total cotton imports in MY 2001/02 are estimated to reach 400,000 tons, up 16 percent over the MY 2000/01's level. The sharp increase is mainly attributed to increased consumption of cotton by most spinners, and prevailing low prices for cotton and low local interest rates which encourage many spinners to hold higher stocks than usual. Trade sources report that several spinning mills are holding cotton stocks at 4-5 months of their utilization, as opposed to the normal 3 months of utilization. Despite an anticipation of growing cotton consumption in Thailand, total imports of raw cotton may reduce to some degree in MY 2002/03 in response to relatively high stocks held by most spinners and the anticipated higher import costs of cotton.

As the Thai textile industry is export-oriented, its demand for imported cotton is price and quality sensitive. Unlike in recent years when Australia posed a threat to most suppliers especially the United States, the extreme lowering of prices for U.S. cotton has boosted the U.S. market share in Thai market in MY 2001/02. As indicated in Table 3, in the first 8 months of MY 2001/02 (Aug 2001-Mar 2002), the U.S. market share increased from 12 percent in the same period of MY 2000/01 to 39 percent, at the expense of Australia (down from 34 percent to 19 percent, Mali (from 8 percent to 3 percent), Pakistan (from 6 percent to 2 percent), respectively. However, Thailand also increased its imports from some countries such as Argentina, Brazil, Cameroon, and Syria, in MY 2001/02. According to trade sources, the U.S. market share in MY 2002/03 may reduce to 20-30 percent of total imports, as prices for U.S. cotton are likely to be stronger, and some spinners may reduce its imports of U.S. cotton following their dissatisfaction with the recently received shipments of U.S. cotton. Trade sources reported that several shipments of U.S. cotton, especially SJV growth varieties, in the past six months appeared to have the "honey dew" contamination.

According to trade sources, the C&F price quotations for SJV growth cotton (SM 1 1/8") for the July/August shipment are currently about 52 cents/pound, which is close to 51-52 cents/pound for the similar-quality Australian Andy cotton. Meanwhile, m/o/t growth cotton is now quoted at 45 cents/pound for July/August shipment, against 42-43 cents/pound for West African cotton. It is apparent that the U.S. cotton prices have been very competitive, and are considered cheaper than Australian and West African cotton when taking its superior quality into account. However, price quotations for U.S. cotton for the distant deliveries (like March 2003 shipment) become less competitive against Australian cotton, via a 300-400 point price differential.

The U.S. has supplied a wide range of staple lengths, from short staple to ELS cotton. The most popular U.S. cotton imported into Thailand is SJV growth cotton, followed by

Memphis varieties (mainly m/o/t growth) and C/A. SJV cotton is considered the most superior medium-count staple cotton due to its strength and low contamination. However, there is an incidence of honey dew content in the recent shipments of SJV cotton into Thailand in MY 2001/02. We believe that U.S. shippers should resolve this problem as soon as possible, otherwise the market for this type of cotton may be seriously affected. While the problem of honey dew content in C/A growth cotton still exists, trade sources reported that Thai spinners have increased their buying of C/A cotton in MY 2001/02 because the offered prices are very competitive. The m/o/t cotton is also in the highest demand for coarse-count staple cotton in MY 2001/02 due to its price competitiveness. In MY 2001/02, it is estimated that imports of m/o/t growth cotton are accounting for about 50% of total U.S. cotton imports, followed by C/A growth (25%), SJV growth (20%), and ELS cotton (5%).

Thailand also exports raw cotton from its domestic supplies. The exports of cotton in MY 2001/02 are estimated to increase substantially from 429 tons in MY 2000/01 to about 8,000 tons, due to increased domestic production and its competitive prices for export. Exports may decline to only 4,000-5,000 tons in MY 2002/03 following the anticipated reduction in domestic production.

Policy/Marketing

There has been no significant change in production policy, and tariffs and non-tariff barriers for cotton since the last report. The Thai Government has not subsidized cotton prices or production. Meanwhile, import duties for raw cotton has been zero for several years.

The USDA's GSM-102 Export Credit Guarantee Program for Thailand, which covers cotton and cotton products, has been inactive thus far, mainly because the domestic interest rates have decreased continually in recent years and were below the lending rates obtained from the GSM program.

Cotton Council International (CCI) continues to work closely with Thai spinners to promote the use of U.S. cotton, and Thai spinners are satisfied with CCI's trade servicing activities. The Cotton USA Mark licensing campaign is gaining popularity among Thai textile producers, and should be beneficial to the use of U.S. cotton in the medium and long terms.

1.2. Value-added Cotton

While Thailand is a promising market for raw cotton, its textile industry has developed in the last few decades to the extent that it becomes one of the most important export-earning industries for the country. Although Thailand has not been a large exporter of textiles and apparels in the world textile market, total exports of textile products and apparels reached 235.19 billion baht (US$ 5.29 billion) in 2001, which accounted for 8 percent of the country's total exports. The industry employs about 1.1 million workers. About three-quarters of textile workers are in clothing industry, with the balance going into spinning, weaving, knitting, and dyeing and printing operations (Table 5).

In 2001, domestic cotton and imported cotton is purchased and used by 149 spinning mills in Thailand, which operate about 3.9-4.1 million spindles (based on FAS/Bangkok estimate). Products from those mills include cotton yarn (mostly 100% cotton), T/C yarn (blended yarn containing about 65% polyester and 35% cotton), and CVC yarn (cheap value cotton yarn). Spun yarn, both weaving and knitting yarn, is sold domestically for fabric weaving or knitting, and/or is exported. Several spinners also operate weaving/knitting factories. About 670 weaving factories and 660 knitting factories are manufacturing cotton fabrics and other fabrics, and sell them domestically and/or internationally.

As mentioned in the last annual report, Thailand's textile manufacturers are encountering a strong challenge for their survival for years to come, due to the impact of a reduction in import duties among ASEAN member countries and of a global liberalization for the trade of textile products by January 2005. According to trade sources, Thai textile exports can be threatened by cheaper emerging manufacturing countries such as China, Indonesia, Vietnam, and India. Realizing the impact of this international trade development, some textile manufacturers continue to upgrade their products, optimize production costs, improve management, improve logistic procedures, and provide regular labor training. However, some manufacturers are not aware of the impending change in their industry and may also suffer from a lack of investment. Although the Thai Government has initiated some effort to help the textile industry through its low-interest loans, the success of the programs is doubtful due to the bureaucracy and constrained government budget.

1) Cotton Yarn

Production

After a slowdown growth in 2001, cotton yarn production (excluding T/C and CVC yarn) in 2002 is forecast to grow by 7-10 percent, due to a recovery in exports of textile products and continued preference of cotton yarn production over less profitable T/C/ and CVC yarn (Table 6). While the new 300-350,000 spindles are fully added into the production lines, most spinning mills are now reportedly utilizing about 80-90 percent of their production capacities. Thai spinners are currently able to manufacture a wide range of cotton yarn, including coarse count yarn (#20's and lower), medium count yarn (#30's-40's), and fine count yarn (#50's and up). Due to their effort to upgrade the quality of cotton yarn to the higher end products, some spinners are now producing high-quality fine count yarns in such categories as #80's-100's. Due to growing demand for denim clothes, several spinners have also increased their production of coarse count yarn in 2002.

Consumption

About 90 percent of cotton yarn production is normally used domestically for weaving and knitting, while the balance is for export. Domestic sales of cotton yarn in 2002 are estimated to increase favorably, mainly because strong overseas demand for fabrics and garments has stimulated the use of cotton yarn. The vigorous demand also led prices for cotton yarn to recover from those in 2001 and early 2002. For instance, domestic prices for cotton yarn #40 firmed from the lowest 49.00-50.00 baht/kg (52-53 cents/pound) in February 2002 to currently 52-53 baht/kg (55-56 cents/pound). In 2001, prices for cotton yarn #40 had gradually dropped from about 63-65 baht/kg (67-69 cents/pound) in early 2001 to 52 baht/kg (55 cents/pound) in December 2001, due to sluggish sales of textile products and increased supplies.

Trade

Thailand is both an exporter and importer of cotton yarn. Exports of cotton yarn in 2001 increased by 14 percent, from 20,869 tons in 2000 to 23,869 tons (Table 7), mainly because depressed domestic prices and inactive domestic sales of cotton yarn forced many spinners to switch to overseas markets. A recovery in world demand for textile products should favor the exports of Thai cotton yarn, estimated to grow by 15-20 percent in 2002.

Weaving and knitting mills continue to import cotton yarn, mostly low end products from such suppliers as China, India, Pakistan, and etc. Total imports of cotton yarn in 2001 dropped sharply (13 percent) from 17,134 tons to 14,861 tons (Table 8). Due to increased domestic production and competitive prices for domestic cotton yarn, imports of cotton yarn should decrease further to some degree in 2002.

2) Cotton Fabrics

Production

Despite relatively sluggish demand for cotton fabric, Thailand's fabric production registered an 11 percent growth in 2001, as several producers switched their production from less profitable synthetic fabric to cotton fabric. Reflecting a recovery in both domestic and overseas demand for fabrics, fabric production is likely to increase further by 7-8 percent in 2002 (Table 9). It is estimated that 60 percent of cotton fabric is woven fabric, while the balance goes into knitted fabric.

Consumption

Despite a vulnerable Thai economy, a moderate increase in exports of garments has led domestic consumption of cotton fabric in 2001 to grow to some degree. Domestic sales of cotton fabric may register a healthy growth in 2002, due to the improved performance in Thai economy and an anticipated recovery in worldwide demand for textile products (Table 9).

Trade

Like cotton yarn, Thailand is both an exporter and importer of cotton fabric. Most exported cotton fabric is as unfinished products. Like cotton yarn, cotton fabric weavers have struggled to upgrade their products to enhance their international competitiveness. Following vulnerable worldwide economy, especially after the U.S. was attacked by terrorists in September 2001, Thai exports of cotton fabric declined 11 percent in 2001, from 40,709 tons in 2000 to 36,373 tons (Table 10). Sales to regular buying countries, mainly the U.S. and the EU, dropped across the board. Like cotton yarn, exports of cotton fabric are estimated to grow favorably in 2002.

Thailand also imports cotton fabric from other producing countries to meet demand for specific items in garment industry. Imports from such suppliers as Japan, Taiwan, and Hong Kong are mainly high quality items, mostly used by export-oriented garment factories. On the other hand, cotton fabric from China, India, and Pakistan is less expensive and used mainly for domestic-oriented garment production. Following a decrease in imports of cotton fabric in 2001, it is likely that imports may drop again in 2002 in response to increased domestic production of substitutable high-quality cotton fabric (Table 11).

SECTION II: STATISTICAL TABLES

Table 1: Thailand Production, Supply & Demand Table for Raw Cotton

PSD Table						
Country	Thailand					
Commodity	Cotton				(HECTARES)(MT)	
	Revised2000		Preliminary2001		Forecast2002	
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Planted	0	0	0	0	0	0
Area Harvested	15000	15000	17000	48500	0	20000
Beginning Stocks	99501	98591	87962	83423	114742	111723
Production	7403	7500	9580	22000	0	10000
Imports	344879	344961	424567	400000	0	390000
TOTAL SUPPLY	451783	451052	522109	505423	114742	511723
Exports	0	429	1	8000	0	5000
USE Dom. Consumption	353806	360000	397351	380000	0	410000
Loss Dom. Consumption	10015	7200	10015	5700	0	6000
TOTAL Dom. Consumption	363821	367200	407366	385700	0	416000
Ending Stocks	87962	83423	114742	111723	0	90723
TOTAL DISTRIBUTION	451783	451052	522109	505423	0	511723

Table 2: Farm Gate Prices for Seed Cotton

Prices Table			
Country	Thailand		
Commodity	Cotton		
Prices in	Baht	per uom	Kilogram
Year	2001	2002	% Change
Jan	19.68	11.52	-41.46%
Feb	19.34	11.75	-39.25%
Mar	17.00	11.67	-31.35%
Apr	0.00	0.00	
May	0.00	0.00	
Jun	0.00		
Jul	0.00		
Aug	0.00		
Sep	0.00		
Oct	0.00		
Nov	0.00		
Dec	11.64		-100.00%
Exchange Rate 43.00	Local currency/US $		

Note: Price is based on the average farm gate prices for good-quality seed cotton

Source: Office of Agricultural Economics

Table 3: Thailand's Raw Cotton Imports

	1998/99	1999/2000	2000/01	2000/01	2001/02
	Aug/Jul	Aug/Jul	Aug/Jul	Aug/Mar	Aug/Mar
United States	20,328	59,544	49,030	26,458	101,858
Argentina	5,797	3,892	6,475	1,808	4,332
Australia	71,528	90,041	118,568	76,094	50,118
Benin	10,011	9,900	9,443	4,188	4,708
Brazil	427	443	1,405	704	8,115
Chad	4,745	1,783	259	100	159
China	14,871	39,893	4,405	4,162	616
Cameroon	N/A	N/A	10,605	6868	9,244
Egypt	2,204	4,183	4,377	3,566	2,272
Ivory Coast	9,854	10,330	11,943	7,174	3,728
India	420	278	24	0	57
Mali	27,722	33,377	31,169	17,179	8,491
Mexico	4,395	4,982	1,541	974	1,848
Pakistan	161	13,087	16,347	13,642	4,681
Sudan	7,784	7,466	5,118	4,205	3,504
Syria	4,060	8,556	10,517	8,069	14,986
Russia	499	1,021	43	0	0
Tanzania	2,789	2,192	3,410	3,216	4,216
Togo	1,609	2,442	3,374	2,279	1,031
Turkey	5,605	582	512	419	54
Uzbekistan	11,508	11,259	5,074	3,445	3,135
Zimbabwe	12,246	25,031	32,497	27,834	28,683
Others	45,142	41,439	18,825	12,370	8,171
TOTAL	263,705	371,721	344,961	224,754	264,007

Source: Department of Customs

Table 4: Thailand's Key Economic Indicators

	1997	1998	1999	2000	2001	2002
					(Prelim.)	(Forecast)
1. Population	60.5	61.2	61.8	61.9	62.3	62.6
2. GDP at constant 1998 price						
(% change)	-1.4	-10.5	4.2	4.6	1.8	2.5-3.5
3. CPI (% change)	5.6	8.1	0.3	1.6	1.6	0.5-1.5
4. External Account (billion US$)						
4.1 Export	56.7	52.9	56.8	67.9	63.2	n.a.
(% change)	(3.8)	-(6.8)	(7.4)	(19.5)	(-6.9)	n.a.
4.2 Import	61.3	40.6	47.8	62.4	60.7	n.a.
(% change)	-(13.4)	-(33.8)	(17.7)	(31.3)	(-2.8)	n.a.
4.3 Trade Balance	-14.6	12.2	8.9	5.5	2.5	n.a.
4.4 Current account balance	-3.1	14.3	11.2	9.3	6.2	n.a.
4.5 Balance of payments	-10.6	1.7	4.6	-1.6	1.3	n.a.
5. Government Finance (bil. baht)						
5.1 Cash balance	-31.1	-115.0	-134.3	-116.1	-107.9	n.a.
5.2 Total public debt	936.2	1,242.3	1,956.7	2,180.8	2316.0	n.a.
6. Monetary Statistics						
6.1 Domestic Credit (% change)	34.5	-1.2	-4.2	-7.4	-6.1	n.a.
6.2 Deposit (% change)	16.0	8.8	-0.5	5.3	4.0	n.a.
6.3 Interest rate						
Prime rate	15.3	11.50-12.00	8.25-8.75	7.50-8.25	7.00-7.50	n.a.
Fixed deposit	10.00-13.00	6.00-6.25	4.00-4.25	3.5	2.75-3.00	n.a.
7. Exchange rate						
Baht: US$ average	31.4	41.4	37.8	43.09	44.48	n.a.

Source: Bank of Thailand

Table 5: Status of Textile Industry in Thailand

	1997	1998	1999	2000	2001
Number of Employment					
-- Man-made fiber	17,070	17,000	15,900	15,400	15,340
-- Spinning	65,890	63,450	61,800	60,310	60,470
-- Weaving	64,250	60,730	59,540	58,870	58,730
-- Knitting	60,670	58,870	58,480	58,740	59,790
-- Dyeing and Printing	47,840	47,280	47,050	47,180	46,750
-- Clothing	857,830	849,570	843,030	843,200	840,460
TOTAL	1,113,550	1,096,900	1,085,800	1,083,700	1,081,540
Number of Textile Machinery					
- Spinning (No. of spindles)	4,170,254	3,763,438	3,611,918	3,581,866	3,586,834
- Weaving (No. of looms)	133,861	131,479	130,991	130,502	130,231
- Knitting (No. of machines)	111,977	111,291	111,120	111,372	112,019
- Clothing (No. of machines)	772,128	764,618	759,012	759,438	757,307
Source: Thailand Textile Institute					
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Table 6: Thailand’s Production and Consumption of Yarn

	1996	1997	1998	1999	2000	2001	2002
							(fore.)
Production(TMT)							
Cotton yarn	317.0	297.4	267.2	268.5	299.2	337.7	364.5
Man-made yarn	452.9	472.2	509.9	494.3	539.6	550.5	570.0
Total production	769.9	769.6	771.1	762.8	838.8	888.2	934.5
Consumption(TMT)							
Cotton yarn	289.3	261.9	242.5	245.6	291.3	323.7	356.0
Man-made yarn	349.1	362.1	342.2	352.7	420.8	402.3	420.0
Total consumption	638.4	624.0	584.7	598.3	712.1	726.0	776.0
Note: From 1996-2001, data are sourced from Thailand Textile							
Institute							
The data for 2002 are estimated by FAS/Bangkok							
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Table 7: Thailand's Exports of Cotton Yarn

	1999	2000	2001
	Quantity	Quantity	Quantity
	(Tons)	(Tons)	(Tons)
U.S.A.	1,736	866	1,502
Australia	468	473	497
Belgium	1,496	351	262
China	8,103	6,906	6,073
Germany	1,358	619	622
Hong Kong	4,435	2,405	2,844
Spain	817	265	592
Japan	2,378	2,499	2,644
S. Korea	855	1,610	995
Malaysia	1,500	2,162	2,471
Indonesia	0	998	527
Italy	466	523	296
Singapore	937	134	638
North Korea	0	0	2,429
Others	2,982	1,058	1,477
TOTAL	27,531	20,869	23,869
Source: Department of Business Economics			
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Table 8: Thailand's Imports of Cotton Yarn

	1999	2000	2001
	Quantity	Quantity	Quantity
	(Tons)	(Tons)	(Tons)
U.S.A.	17	11	0
China	2,515	4,068	4,044
France	8	13	5
Hong Kong	779	1,157	767
Indonesia	295	399	141
India	2,826	4,583	1,947
Japan	183	293	453
S. Korea	2,113	642	936
Pakistan	1,825	5,072	5,621
Taiwan	207	375	395
Italy	0	118	319
Others	232	403	233
TOTAL	11,000	17,134	14,861
Source: Department of Business Economics			
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Table 9: Thailand's Production and Consumption of Yarn

	1996	1997	1998	1999	2000	2001	2002
							(Fore.)
Production (TMT)							
Cotton fabric	189.7	172.6	159.2	161.2	190.7	211.4	226.0
Man-made fabric	228.9	238.7	224.7	231.4	275.5	262.7	270.0
Total production	418.6	411.3	383.9	392.6	466.2	474.1	496.0
Consumption (TMT)							
Cotton fabric	168.0	142.0	127.1	134.2	168.5	188.0	203.0
Man-made fabric	202.1	202.8	183.0	192.2	237.9	238.2	250.0
Total consumption	370.1	344.8	310.1	326.4	406.4	426.2	453.0
Note: From 1996-2001, data are sourced from Thailand Textile							
Institute							
The data for 2002 are estimated by FAS/Bangkok							
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Table 10: Thailand's Exports of Cotton Fabrics

	1999	2000	2001
	Quantity	Quantity	Quantity
	(Tons)	(Tons)	(Tons)
U.S.A.	9,034	8,638	8,017
Bangladesh	1,068	791	635
Belgium	2,546	2,346	1,619
Benin	1,482	3,752	1,106
China	591	678	630
Germany	2,835	3,500	3,588
Singapore	0	843	1,574
Hong Kong	2,263	2,294	2,220
Italy	1,580	2,403	1,756
Laos	1,186	1,378	2,045
Myanmar	2,661	2,392	1,747
Congo	0	41	1,232
Netherlands	1,257	1,139	956
Others	10,022	10,514	9,248
TOTAL	36,525	40,709	36,373
Source: Department of Business Economics			
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Table 11: Thailand's Imports of Cotton Fabrics

	1999	2000	2001
	Quantity	Quantity	Quantity
	(Tons)	(Tons)	(Tons)
U.S.A.	388	271	218
China	7,105	15,824	13,792
Hong Kong	2,700	1,980	2,753
Indonesia	1,591	1,087	767
India	3,287	3,570	1,582
Japan	1,146	1,337	1,242
South Korea	306	373	338
Malaysia	332	103	199
Pakistan	1,000	1,525	590
Taiwan	1,468	1,076	891
Others	729	996	823
TOTAL	20,052	28,142	23,195
Source: Department of Business Economics			
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Table 12: Tariff for Cotton and Textile Products

	Current calculated tariff for non-AFTA countries (% Ad Valorem)	Current tariff applied for AFTA countries under CFPT scheme1/ (% Ad Valorem)	Tariff Schedule Commitment with WTO (% Ad Valorem)
Raw cotton	0	3.75	30% as general tariff
Cotton yarn	10	5	21
Cotton fabric	20	5	50
Chemical used in textile	10-15	5	30
Textile machinery	5	2.50-15.0	18

1/ CFPT Means the Common Effective Preferential Tariff, and it is an agreed effective tariff, preferential to ASEAN countries, to be applied to goods originating from ASEAN Member States, and which have been identified for inclusion in the CFPT Scheme.

Source: Customs Department
Department of Business Economics

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